

DIY Portfolio Management Programme

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Improvements to Company Database

When we improve our systems we always aim for two goals:

1. To make them more user-friendly
2. To improve the information provided.

Level 1

Purpose

The purpose of Level 1 is to provide information regarding the market returns and risks of the share.

Spreadsheets

Four Excel spreadsheets comprise Level 1:

1. Prices
2. Share information
3. Statistical analysis
4. Graphical analysis

Prices

This Excel spreadsheet contains the data on which the statistical analysis and graphical analysis are based, namely:

1. The number of deals for the month
2. The high price during the month
3. The low price during the month
4. The price at the end of the month
5. Any corporate event during the month, e.g. dividends received
6. The all-inclusive return for the month
7. What the value would have been had dividends been invested
8. The Alsí and Top 40 indexes, price earnings ratios and dividend yields at the end of each month
9. The returns earned by the Alsí and Top 40 during the month

Share Information

This Excel spreadsheet contains:

1. The dividend and other corporate events history affecting the market price of the share.
2. A new feature reconciling the published dividend yield with the database dividend yield for control purposes
3. Various risk measures such as the volatility (standard deviations) of the prices, the shape of the histogram and the value at risk at 90%.

Statistical Analysis

This Excel spreadsheet contains the following information about the share for the past ten years:

1. The highest and lowest prices during each of the ten years and the closing prices at the end of each year.
2. The monthly standard deviations for the Alsí, the Top 40 and the share for each year for the past ten years.
3. The average number of monthly deals for each of the 10 years

4. The annual returns achieved by the Alsí, the Top 40 and the share
5. The share's Alsí and Top 40 alphas.

Graphical Analysis

This spreadsheet contains a graph depicting the total return of the share against that of the Alsí and the Top 40. A handy slider allows the user to choose any period for analysis.

Level 2

Level 2 includes Level 1. Only the additional analysis is dealt with below.

Purpose

The purpose of Level 2 is to analyse the fundamental performance of the share and to value the share.

Spreadsheets

There are two additional spreadsheets for Level 2:

1. Announcements
2. Fundamental analysis

Announcements

This Excel spreadsheet contains summaries of the Sens announcements for the past three years relating to the company.

Fundamental analysis

This Excel spreadsheet contains a five-year analysis of the performance of the share:

1. The sustainable growth rate and its elements
2. The growth rates in the prices, book values, earnings and dividends per share
3. The price book ratios, price earnings ratios and dividend yields
4. The dilution in book value per share
5. The conclusions on the four selection criteria
6. Two populated valuation models

Level 3

Level 3 includes Level 1 and Level 2 analyses. Only the additional analyses are dealt with below.

Purpose

The purpose of Level 3 is to analyse the financial performance of the company.

Spreadsheet

There is only one additional spreadsheet for Level 3 namely "Financial Analysis".

Financial analysis

This Excel spreadsheet contains certain key extracts from the group income statements, other comprehensive income statements and balance sheets and a five-year analysis of:

1. Growth in revenue, operating profit, earnings, headline earnings, dividends, borrowings and equity
2. Margins
3. Earnings to revenue
4. Returns on equity
5. Debt to equity relationships

Kind regards,
Jade and Charles,
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